

HOUSE FINANCE COMMITTEE
March 30, 2022
9:04 a.m.

9:04:08 AM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 9:04 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair via teleconference
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Bryce Edgmon
Representative DeLena Johnson
Representative Andy Josephson
Representative Bart LeBon
Representative Sara Rasmussen
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

None

ALSO PRESENT

Sarah Oats, President and CEO, CHARR, Juneau; Paul Thomas, Alaska Cache Liquor, Juneau; Senator Peter Micciche, Sponsor.

PRESENT VIA TELECONFERENCE

Stanley Filler, Owner, Ernie's Bar, Sitka; Darwin Biwer, Owner, Darwin's Theory Bar, Anchorage; Elizabeth Ripley, Mat-Su Health Foundation, Wasilla; Sherry Stead, Glacier Ridge Brewing, Homer; Jed Wade, Bearpaw River Brewing Company, Wasilla; George Tipton, CHARR, Ketchikan; Patrick Levy, Self, Fairbanks; Jeanne Reilly, Self, Anchorage; Ana Fisk, Vice President, Brown Jug, Anchorage; Jason Davis, Self, Homer; Evan Wood, Devil's Club Brewing Company, Juneau; Andrew Roe, Lat 65 Brewing, Fairbanks; Kevin

Prestegard, Owner, Two Seasons Meadery, Anchorage; Brooke Ivy, Vice President of Policy and Advocacy, Alaska Children's Trust, Anchorage; Cynthia Drinkwater, Owner, Cynosure Brewing, Anchorage; Sally Jefferson, Wine Institute, Ventura, California; Natasha Pineda, Alaska Public Health Association, Anchorage; Ben Millstein, Kodiak Island Brewing Company, Kodiak; Allison Biastock, Alaska Mental Health Trust Authority, Anchorage; Mike Healy, President, Skagway Brewing Company, Skagway; Tyler Jones, General Manager, Broken Tooth Brewing, Anchorage; Reid McDonald, owner and operator, Odd Man Rush Brewing, Eagle River; Josh Hegna, Owner, Girdwood Brewing Company, Girdwood; Jeff Jessee, Self, Anchorage; Jack Lau, Owner, Double Shovel Cider Company, Anchorage; Sassan Mossanen, Owner and Operator, Denali Brewing, Talkeetna; Zach Anderson, Co-Owner and General Manager, Harbor Mountain Brewing, Sitka; Tom Manning, Self, Juneau; Dana Walukiewicz, Chairman, Alcohol Beverage Control Board, Anchorage; Ian Laing, Self, Anchorage; Jerome Hertel, CEO, Alaska State Fair, Palmer; Graham Downey, Alaska Public Interest Research Group, Anchorage; Michael Jeffery, Self, Utqiagvik; Tom Chard, CEO, Alaska Behavioral Health Association, Fairbanks; Erick Heimbigner, Self, Juneau; John Blasco, Alaska Brewing Company, Juneau; David Caldwell, Broken Tooth Brewing, Anchorage.

SUMMARY

SB 9 ALCOHOLIC BEVERAGE CONTROL; ALCOHOL REG

Co-Chair Merrick reviewed the agenda for the day.

#sb9

CS FOR SENATE BILL NO. 9(FIN)

"An Act relating to alcoholic beverages; relating to the regulation of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to licenses, endorsements, and permits involving alcoholic beverages; relating to common carrier approval to transport or deliver alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to offenses involving alcoholic beverages; amending Rule 17(h), Alaska Rules of Minor Offense Procedure; and providing for an effective date."

9:04:41 AM

Co-Chair Merrick OPENED public testimony.

9:05:06 AM

SARAH OATS, PRESIDENT AND CEO, CHARR, JUNEAU, spoke in support of the legislation. She had spoken with many legislators over the previous 2 years about the bill. Many of their concerns along with the concerns from others had to do with limiting new businesses. The bill actually provided significant growth opportunities for new and existing businesses. She did not think there was anything wrong with trying to help the existing hospitality industry, as it had suffered immeasurably over the past 2 years. There were several things in the bill that would help the industry to recover and provide opportunities for the current industry to grow.

Ms. Oats continued that she had worked for the Alcohol and Marijuana Control Office (AMCO) for 7.5 years. Trying to get things done there was extremely challenging, as Representative Wool could attest. The bill would help AMCO streamline the processes that helped existing businesses. She urged members to focus on the current industry and the way in which the bill could help it recover. There were things in the bill that constituents did not like. She encouraged members to pass the bill as it was currently written. She thought there would be an opportunity to make adjustments in the future.

Representative Wool asked that if the bill were to pass, whether it would be difficult to change the law later.

Ms. Oats responded that she had been part of the project since its inception 10 years prior. She reported working for the regulatory agency at the start of the process providing an impartial view. The participants tried to look at how to expand opportunities for new businesses. They also looked at existing industry, public health, public safety, and how to make improvements. The participants looked to an omnibus bill, SB 9. There were things in the bill that each of the participants would want to change, but SB 9 was a compromise bill. She thought it was a good piece of legislation since everyone disliked portions of it but were not completely unhappy with it. She noted that there were specific pieces of the bill that people had expressed concerns about, mainly relating to how it might

limit future businesses. She highlighted the importance of focusing on the current industry that was still suffering rather than the future industry.

Representative Wool supported the current industry and was concerned about it losing footage.

9:11:07 AM

PAUL THOMAS, ALASKA CACHE LIQUOR, JUNEAU, spoke in support of the bill. There had been a need to update Title 4 for a significant amount of time. The bill was a good package in which all sectors and license types in the industry had contributed. Passing the bill would provide stability for the industry. It would provide confidence to people looking to get into the industry knowing that the rules would not change as soon as they invested. Long-term licensees would be afforded the confidence to move forward with new plans inside a cleaned up and easier-to-follow set of rules that supported all kinds of licenses. It would not just satisfy individual one-off desires for expansion.

Mr. Thomas continued that every segment of the industry got something new in the new stable environment. It would encourage new business, investment in existing businesses, new ideas, and give confidence to all license types in the industry to follow through in their plans that were currently on hold. It was something that had been sorely missing in the previous 10 years. His segment, package stores, would get new opportunities and much needed clean-up of operations. New sampling endorsements would allow for his customers to sample products. New package store tasting permits would allow his business to have special tasting events. Endorsements for shipping, delivering, and repackaging would help clean-up language allowing him to function inside the rules more easily. It would also allow for trying out new aspects of the industry. Online sales would get some new regulations which were needed. Up to the current point allowing out-of-state businesses to operate freely without paying taxes, unlike Alaskan businesses, had crippled Alaskans. He asked members to support the current version of the bill, with its more than 10 years of refinement.

Representative Rasmussen asked if there was a law in place that would disallow a sale if 2 people came into a store and only 1 of them had an I.D.

Mr. Thomas replied that he would sell to the person with appropriate identification.

[9:13:55 AM](#)

STANLEY FILLER, OWNER, ERNIE'S BAR, SITKA (via teleconference), had owned his bar since 1965. He had seen significant changes to Title 4 over the previous 50 years. He supported SB 9 as written. Bars and restaurants in Sitka had experienced a difficult time during the pandemic. The changes in SB 9 would provide stability and consistency for his industry and streamline processes that helped businesses. He urged members to support moving the bill from committee to the House Floor for passage.

Co-Chair Merrick indicated Representative Rasmussen and Vice-Chair Ortiz had joined the meeting earlier.

[9:15:21 AM](#)

DARWIN BIWER, OWNER, DARWIN'S THEORY BAR, ANCHORAGE (via teleconference), spoke in support of SB 9. He noted the compromises by all stake holders to the Title 4 rewrite. He commented that it had been difficult to obtain the compromise bill and noted how fragile it was. There were 9 categories of participants that were included in the bill: law enforcement, public health departments, municipalities, breweries, wineries, distilleries, package stores, liquor distributors, liquor licensing members of Alaska CHARR. Getting all of the different factions to agree was a major factor in the 10-year legislation project. Each aspect of the bill was vigorously debated. The mindset was to plan for 30 years rather than today. He was chairman of the board for Alaska CHARR during the crafting of the bill and was greatly involved in the discussions related to Title 4. He discouraged any amendments to the bill. He asked members to pass the bill in its current form, as it was too fragile to make changes.

[9:17:33 AM](#)

ELIZABETH RIPLEY, MAT-SU HEALTH FOUNDATION, WASILLA (via teleconference), spoke in strong support of SB 9. She commented that it was well past time for Alaska to update its alcohol laws. For more than ten years her organization had worked hard with many partners, including the alcohol

industry. Senate Bill 9 represented compromises that were good for all Alaskans. Research and data were core to the work of the foundation. She reported that more than 40 percent of the arrests in the state involved alcohol or other substances, and 60 percent of Alaskans reported being negatively affected by someone else's drinking. Year-after-year the foundation heard the same story: Alcohol and substance misuse were ranked by the community as the most critical health issue to address in the Mat-Su.

Ms. Ripley continued that the bill supported responsible alcohol use by adults, reduced under age consumption, and supported better enforcement of Alaska's alcohol laws. While the foundation's interest was primarily public health, the bill also had many benefits for local businesses. A sound economy was an important aspect of every community. The bill as currently written supported growth and flexibility while continuing to regulate outlet density because more outlets meant more harm in a state that already paid a high cost for alcohol misuse. She urged members to move SB 9 forward for the benefit of all Alaskans.

[9:19:27 AM](#)

SHERRY STEAD, GLACIER RIDGE BREWING, HOMER (via teleconference), asked for an amendment to keep the current statutes, AS 04.11.130, AS 04.11.140, and AS 04.11.170 for brewery, winery, and distillery licenses with 1 per 3000 population (1 license for 1 manufacturer with a tasting room) and all current restrictions. She opined breweries were tap rooms. Current statutes had allowed a thriving and successful business model for Alaska craft industry growth. She asserted there was more room for more growth. Senate Bill 9 would allow hundreds of new business opportunities in every community in Alaska. She urged local control over the current remaining licenses and discouraged legislating out new opportunities for future business growth. A community had to approve a new license application before going before the state board. If a community did not want an additional license, they could protest an application.

Ms. Stead advocated focusing new business growth for "Made in Alaska" where locals and tourists could purchase locally made products to keep Alaska's economy growing. Alaska had over 6,000 liquor licenses. Only brewery, winery, and distillery license fees were being increased. She reported

that 97 percent of the beer manufactured in Alaska was distributed. Only 3 percent was sold through a tap room, yet the related future growth opportunity was being removed. The amazing opportunities SB 9 offered to breweries were already available. She indicated 20 breweries had purchased Beverage Dispensary Licenses (BDLs), Brewpub, or Restaurant Eating Place Licenses (REPLs). The additional licenses allowed breweries not to be restricted by the current tap room limitations. Tap rooms were family-and-friends-gathering spots for locals year-round and brought value to their communities. Senate Bill 9 would legislate out new growth that would strictly benefit current alcohol-serving establishments and distributors. It also set up monopolies in small communities, limited competition, and stopped future business growth across Alaska.

9:22:04 AM

JED WADE, BEARPAW RIVER BREWING COMPANY, WASILLA (via teleconference), spoke in support of SB 9. He thanked Senator Micciche for his sponsorship of the bill and to the many individuals and entities who had been steadfast in working to modernize Alaska's alcohol laws. After 11 years and countless hours of work, it was time to pass the critical updates to Title 4. The bill would create new opportunities for his business to grow in the Mat-Sut Valley. It would allow further investment in the community of Wasilla by creating more jobs. Operating a brewery manufacturing business in Alaska was extremely challenging for several reasons. Alaska's restrictive beer laws only served to exacerbate the challenges. The bill created more avenues to get products to consumers in the local market and would improve his business's ability to compete with breweries out-of-state. It would also have an immediate and sustaining positive impact on his business. He encouraged the committee to move SB 9 forward.

Representative Wool asked Mr. Wade to provide examples of restrictive beer laws.

Mr. Wade responded that opening times were restrictive in terms of the times of day he was allowed to sell his product to consumers. Time of day was a significant restriction. He noted the extended daylight hours in Alaska and how customers might want to have a beer beyond 8:00 p.m.

9:24:56 AM

GEORGE TIPTON, CHARR, KETCHIKAN (via teleconference), owned several establishments in Ketchikan. He fully supported SB 9. He noted watching the progress of the bill and found it to be a good compromise for all parties within the industry. The bill provided funding and legal authority for online license applications, thus saving months or years-worth of time in processing delays and expensive attorney's fees from both the state's side and the stakeholder side. It also created clear, consistent, and fair penalties for violations, most of which would be monetary tickets rather than misdemeanor crimes. It mandated pro-active education of laws and expectations by AMCO versus a long-standing system of education through enforcement. He encouraged members of the committee to forward the bill to the House Floor for passage.

9:26:48 AM

PATRICK LEVY, SELF, FAIRBANKS (via teleconference), owned the distillery in the old city hall in downtown Fairbanks. He supported SB 9 and hoped the committee would as well. He thought it seemed like there was controversy around the population limits. He implored members not to let such issues impede the passage of the many needed fixes to the state's antiquated liquor laws. As a distillery owner, he had watched events take place year-after-year downtown such as the Midnight Sun Festival where streets were closed off and thousands of locals and tourists gathered. His business was required by law to be closed by 8:00 p.m. and, therefore, not allowed to participate in the festival. It did not make sense. The extended hours in the bill would allow him to stay open and participate in his local festival.

Mr. Levy also suggested direct-to-consumer shipping in the bill would allow his business to finally sell his products direct to Alaskans. Alaska's current laws prevented him from shipping his products to other Alaskans. Senate Bill 9 would fix the issue. In the early days of the pandemic he could ship 180 proof hand sanitizer, a class 3 flammable, directly to consumers across the United States using the U.S. Postal Service (USPS). He indicated that while he would not be allowed to ship his alcoholic beverage product through the USPS, being able to ship his product using

Federal Express or UPS would be a new market for his business. He asked the legislature to allow his business to have the new market that would help him to recover from the pandemic. He asked members to vote for the passage of SB 9.

9:29:03 AM

JEANNE REILLY, SELF, ANCHORAGE (via teleconference), was a business owner of Riley's Pub in Anchorage. She supported SB 9 and encouraged members to pass the bill as it was currently written. She had worked with several stakeholders on the language. After many years and many compromises SB 9 was drafted. Title 4 was first written in 1959 and amended sometime between 1980 and 1982. She opined the law was dated. The language in the bill cleaned up many confusing and frustrating questions as to what all of the participants in the industry could do and how to operate within clear and fair parameters. She urged members to pass the bill.

9:29:54 AM

ANA FISK, VICE PRESIDENT, BROWN JUG, ANCHORAGE (via teleconference), reported that Brown Jug started as a family-owned business in the Mid-1930s. Brown Jug was currently Alaska's largest chain of package stores and was acquired by Afognak Commercial Group in 2020. Since acquiring Brown Jug, the company had endeavored to be responsible community members in the areas in which it operated. The company was proud to have donated \$2 million to Covenant House in the prior year in addition to the \$150,000 raised by Brown Jug for a variety of non-profits including Food Bank, ASPCA, and the Sea Life Center. Brown Jug most recently completed a fundraiser for a \$15,000 donation to Dollars for Dogs which would fund a new police dog for the Anchorage Police Department.

Ms. Fisk continued that the company had also made major investments in renovating and updating its stores in Alaska. On the operational side, the company had also installed patron scan systems in four stores in 2021 with additional installations in 2022. A patron scan system was an exterior-mounted I.D. scanner which kept the front entrance to a store locked until a valid I.D. was scanned. The installation of the systems had helped to reduce crime in the stores by 92 percent and prevented under age,

expired, or fake I.D.s from being used at the company's locations.

Ms. Fisk continued that while Afognak just became involved in the industry less than 2 years ago, it had seen a growing concern with untaxed and largely unregulated state internet sales coming into Alaska. Through an unforeseen and growing loophole, the out-of-state online sellers were not subject to Alaska's state alcohol excise tax. State regulators like AMCO could not track how much out-of-state alcohol was ordered through them each year. The untaxed and largely untracked out-of-state online sellers were not making any capital investments in Alaska. Also, they were not investing in state-of-the-art systems like patron scan, employing Alaskans, or making donations to community organizations. Brown Jug appreciated the legislature's consideration of SB 9 and strongly supported its passage to address the loophole through Section 13 of the bill and to update Alaska's alcohol statute more broadly. Brown Jug looked forward to continuing to work with the legislature and local leaders in finding policy solutions that positively impacted Alaskan communities.

Representative Rasmussen thanked the testifier for all of Brown Jug's philanthropy in Alaska.

9:32:48 AM

JASON DAVIS, SELF, HOMER (via teleconference), was a city council member in Homer and an owner of a small winery. He suggested that SB 9 was a strong bill that only did good things for existing breweries such as himself. However, he was calling in to ask that the committee to amend the bill keeping the current population limits in place. His request was not for himself or other brewers but for future entrepreneurs who wanted to be a part of the local industry that had significant growth potential.

Mr. Davis elaborated that Homer was a thriving tourist town. Many people who visited Homer came, in part, to enjoy the products of the five craft brewers in the area. If SB 9 passed in its current form, Homer's population would have to grow to 36,000 from the 6,000 population presently in order to have one more brewery or one more winery tasting room. The mayor of Homer, the Chamber of Commerce, other city council members, and four of the five craft brewers

were also supporting the amendment of SB 9 to maintain the current population limits.

Mr. Davis commented that in a previous hearing, committee members asked all the right questions. The Brewer's Guild had stated their dislike of the population limits in the the bill. He asked members to continue asking the hard questions. He suggested asking the Brewers' Guild why they disliked the limits. He thought they would respond that the limits were imposed on them by powerful lobbyists, some of whom favored imported factory beer over locally made products in Alaska. If bill supporters tried to distract members by talking about how many amazing opportunities the bill created for future entrepreneurs that wanted to open breweries, he suggested pressing them on why they also believed lobbyists would kill the bill if the small amendment he was suggesting maintained the status quo in place for decades. The answer would be that the bill was only tolerated by lobbyists because it killed the future expansion of craft brewing around the state for the foreseeable future. He asked members to amend the bill before passing it from committee.

9:35:05 AM

EVAN WOOD, DEVIL'S CLUB BREWING COMPANY, JUNEAU (via teleconference), spoke in support of SB 9. The legislation clarified how breweries were supposed to operate. He asked members to support the passage of the bill.

9:36:19 AM

ANDREW ROE, LAT 65 BREWING, FAIRBANKS (via teleconference), opened a new brewery and made a \$2.5 million investment including a \$400,000 brewhouse. When he and his partner first opened, they quickly became concerned that there was not enough revenue to support the business. They had about \$1500 per day in expenses for things such as labor, cost of materials, debt service to the bank, fuel, taxes, and electricity. They looked at things they could do to improve the number of customers that walked in the door. They continued to make the best product possible and to create the best atmosphere for their customers. However, they were limited by state law. They were not allowed to put up dart boards, have a T.V. up to host games on Sundays, or invite their favorite blue grass bands to play. He indicated SB 9 would serve a real life-breathe to his brewery. Being able

to stay open later and being able to have 4 live events each year would help. There were many people, including locals and tourists, who preferred the brewery and tasting room scenes. He spoke of having to close his doors each day at 8:00 pm in the land of the midnight sun. He urged members to pass the bill.

Representative Wool asked Mr. Roe whether he was aware of the existing law when he opened his business.

Mr. Roe responded that he was aware of the law. However, he did not know what kind of revenue could be generated, as it could only be estimated. He and his partner took a chance with their investment. It appeared he would be making money in 2022. His business lost a significant amount of revenue in 2021.

Representative Wool reiterated there was existing statute when Mr. Roe made his investment. He suggested that some of Mr. Roe's revenue was from the wholesale beer market. He thought Mr. Roe was trying to focus on the retail portion of his business. He asked if his business model reflected a percentage of revenues from retail and wholesale. He also thought Mr. Roe might need a BDL. He asked him if he had considered a BDL before opening.

Mr. Roe responded to the first part of Representative Wool's question. He anticipated about 10 percent of outside sales. He wanted to focus on the tasting room. When the numbers started coming in after opening, he rapidly tried to expand the tasting room. Most of his business' revenue came from the tasting room which was the reason the extension of hours would make a significant difference. Regarding a BDL, he was not interested in becoming a bar, serving hard alcohol, or staying open late at night. He would be paying for many things he did not need for his business with a BDL.

Representative Wool commented that a BDL would allow for many of the things Mr. Roe had mentioned. He noted the Tap House in downtown Fairbanks which had a BDL.

Mr. Roe responded that it was an added expense that he could not afford.

[9:42:16 AM](#)

KEVIN PRESTEGARD, OWNER, TWO SEASONS MEADERY, ANCHORAGE (via teleconference), disagreed with specific language in the bill which would inhibit future businesses from opening. His business would not be affected, rather, it would greatly benefit from the passage of the bill. He urged members' support.

9:43:20 AM

BROOKE IVY, VICE PRESIDENT OF POLICY AND ADVOCACY, ALASKA CHILDREN'S TRUST, ANCHORAGE (via teleconference), was in strong support of SB 9. All Alaska children deserved to be safe and healthy. Alcohol played a major role in many of the social and behavioral issues communities faced everyday which included child abuse and neglect. A primary tool that could be used to help address current trends was prevention. One form of prevention was to minimize alcohol consumption among Alaska's youth. Youth grew into adults and research showed that when consumption of alcohol was reduced at a young age, negative impacts later in life were also reduced. She reported that over 80 percent of substantiated child abuse and neglect cases involved substance misuse which usually involved alcohol. In 2018, the Alaska Office of Children's Services (OCS) estimated that child abuse and neglect cases where alcohol misuse was a factor totaled nearly \$40 million or .25 percent of OCS spending. She noted that the version of SB 9 before the committee was a collaborative process which included input from hundreds of stakeholders from numerous sectors and had taken years to reach an agreement. She urged support for the bill in its current form.

9:45:21 AM

CYNTHIA DRINKWATER, OWNER, CYNOSURE BREWING, ANCHORAGE (via teleconference), supported SB 9 and its important updates to Title 4. She was hopeful that the changes in SB 9 that directly affected her small business such as the later closing time, the opportunity to have 4 live entertainment events per year, and the clarification of the statute governing the activities of tasting rooms would help her business and other brewery tap rooms to grow. She argued that the bill was good for the brewing and hospitality industries and well as for Alaskans. The bill was a representation of the hard work of many people from a diverse group of participants over several years. She urged members to pass the critical update to Title 4.

9:46:56 AM

SALLY JEFFERSON, WINE INSTITUTE, VENTURA, CALIFORNIA (via teleconference), had submitted written testimony. A great deal of thought and compromise had gone into the winery direct shipping provision that had been in the omnibus bill since the beginning and were agreed to by the stakeholder group. The provisions were consistent with safe programs that had been safely operating for more than 30 years and that wineries were already required to comply with across the country. When SB 9 was recently amended, the stakeholder-agreed-upon-12-case-limit was drastically cut to 3 cases annually with a unique prohibition of no more than 1 case per transaction. The deep reduction in the wine quantity limit appeared to have gotten caught up in the unrelated issue of spirits bootlegging. It was unfair to penalize wine consumers and products due to such concerns.

Ms. Jefferson reported that 46 other states permitted direct wine shipping with all allowing a minimum of 12 cases annually. A number of states allowed 24 cases or more. If a 3-case annual limit were to be enacted, it would impose the second most restrictive quantity limit of the states allowing direct shipment. The 1 case restriction per transaction would also limit Alaska consumers from joining wine clubs which offered unique access to limited production wines not available at retail. Also, winery direct shipments to Alaska consumers in relation to the state's total wine retail sales in 2020 were less than 1 percent of sales by volume. Even with most of the United States population having access to direct wine shipments, 97 percent of wine was still sold through whole sellers and retailers and would not change with a 12-case quantity limit on direct shipments. She urged the committee to restore the wine quantity limits agreed to by the stakeholder group.

9:49:14 AM

NATASHA PINEDA, ALASKA PUBLIC HEALTH ASSOCIATION, ANCHORAGE (via teleconference), expressed the board's support of SB 9. She indicated the Title 4 re-write began more than 10 years prior. At the time, she worked for the state in the Division of Behavioral Health and was the chair of the State of Alaska Committee to Prevent Underaged Drinking. The committee documented its recommendations to adopt

appropriate changes to Title 4 in their 2013 publication, "Alaska Strategies to Prevent Underaged Drinking." The work on the legislation had been ongoing by many stakeholders. She opined that it was time to pass the bill in its current form. She expressed her support and the board's support for SB 9. Her organization supported the inclusion of evidence-based public health practices to reduce alcohol misuse and harms included in SB 9.

Representative Wool asked which items in the bill would help to reduce the harm caused by alcohol.

Ms. Pineda wondered if the representative had finished his question.

Representative Wool asked Ms. Pineda to point out one or two items that would most help in reducing the harm caused by alcohol. He had received calls from public health entities who identified the alcohol problems in the state.

Ms. Pineda responded that the important items included internet sales and population limits.

9:52:34 AM

AT EASE

9:53:13 AM

RECONVENED

Co-Chair Merrick indicated the committee would resume hearing public testimony at 10:00 a.m.

9:53:28 AM

AT EASE

10:01:32 AM

RECONVENED

BEN MILLSTEIN, KODIAK ISLAND BREWING COMPANY, KODIAK (via teleconference), spoke in support of the compromise bill which had been worked out over many years and involved many stakeholders. He argued that there was not a perfect bill to satisfy all stakeholders. The last time the bill was before the legislature it did not pass because of an amendment offered disturbing a delicate balance. He addressed the BDL comment made earlier. He indicated that a

BDL was population limited and was not an option for many. He thanked the committee.

10:03:16 AM

ALLISON BIASTOCK, ALASKA MENTAL HEALTH TRUST AUTHORITY, ANCHORAGE (via teleconference), testified in support of SB 9. The bill contained provisions that would directly impact the health and wellness of Alaskans and more specifically beneficiaries of the Trust. As an organization that had been active in efforts to reform Title 4 for many years, the Trust was proud of the collaborative work amongst the diverse stakeholders to arrive at the compromise that was SB 9. The bill controlled internet Alcohol sales, limited youth access to alcohol, and promoted responsible alcohol use. At the Trust, people knew that alcohol misuse had a human and economic cost.

Ms. Biastock relayed that a McDowell report commissioned by the Trust estimated the cost of alcohol misuse in Alaska in 2018 at \$2.4 billion. It was more difficult to estimate the significant impacts to health and quality of life that alcohol misuse had on those who experienced it as well as their loved ones. The Trust was opposed to changes to the existing rules regulating outlet density in the bill. She suggested that limiting outlet density was a proven strategy in reducing alcohol misuse. She thanked Senator Micciche for sponsoring the legislation. She respectfully asked members to pass the bill.

Representative Wool noted the previous speaker had mentioned outlet density. He noted that tasing rooms were allowed in distilleries since 2014 and in breweries some years prior. He wondered if she considered them outlet density increases. He asked if she had supported the changes when they came forward in the past.

Ms. Biastock did not know the position of the Trust at the time but could find out and respond in writing.

10:05:58 AM

MIKE HEALY, PRESIDENT, SKAGWAY BREWING COMPANY, SKAGWAY (via teleconference), had been in business since 2007. His business was a small batch brewery and the cost of ounce per beer was relatively high compared to breweries in Washington. He had a Brewpub license and in order to

distribute beer anywhere via a distributor, he had to have a beverage dispensary license to do so. He thought it was odd and argued that a business should not be forced to have a license that allowed a business to pour liquor in order to distribute beer products. He thought the rule was antiquated. He had a BDL but had to go through a distributor. There was not a distributor in the town of Skagway. In order for him to bring beer into his own restaurant, he had to go through a distributor and pay a distribution fee despite him having to do 100 percent of the work minus filing out a piece of paper.

Mr. Healy offered that he had also tried to get his beer into some of the other bars around town and would have to do it via distributor. However, the extra cost of distribution for a small batch brewery was not worth the effort. He noted having placed his beer in one of the local restaurants in the previous summer to test it out in a non-profit arrangement. He noted that the bar carried many Seattle and Portland tap beers. All of those taps contributed money to out-of-state breweries because Alaska's current system did not allow for the small batch in-state breweries such as his business to be profitable to distribute. The changes in SB 9 would allow him to self-distribute his beer to his own restaurants and other bars and tap rooms around town and potentially in other parts of Southeast Alaska. It would open up a great opportunity for his business and extinguish some of the existing antiquated laws.

Representative Wool was sorry to hear of Mr. Healy's predicament. He wondered about distribution to other bars and entities. Mr. Healy had indicated he had to have a BDL. He wondered if a manufacturing license would allow him to distribute. He thought a manufacturing license would be of more help.

Mr. Healy responded that he had looked into a manufacturing license but went the route of a brewpub. Due to the population limits, there was only one manufacturing license which was already taken. He had spent a significant amount of money on attorney fees trying to navigate through the state's antiquated laws for more information.

Representative Wool appreciated Mr. Healy's answer and felt bad for his predicament.

10:10:23 AM

TYLER JONES, GENERAL MANAGER, BROKEN TOOTH BREWING, ANCHORAGE (via teleconference), supported SB 9 in its current form. His business mainly supplied the Moose's Tooth and Bear Tooth restaurants. However, the business also did some distribution. Passing SB 9 would do away with the current wholesale caps, thus, allowing him to distribute more beer. The beer was taxed and would be revenue positive for the state. The change would also afford him to hire additional employees. He urged the swift passage of SB 9.

Representative Wool asked what differentiated Broken Tooth Brewing from Alaska Brewing Company. He wondered if each business had a different type of license.

Mr. Jones responded that he had a Brewpub license with a 15,000 barrel production cap which had not been an issue. However, there was a 1,200 barrel wholesale cap on brewpubs instituted by the state.

10:12:55 AM

REID MCDONALD, OWNER AND OPERATOR, ODD MAN RUSH BREWING, EAGLE RIVER (via teleconference), supported SB 9 because of the positive impact and opportunities it would provide for current and future breweries. He realized the bill was a compromise and wished it went further in terms of brewery taps rooms. He wanted to see the bill pass to correct the antiquated laws regarding tap rooms needed to change. He purchased a regular BDL recently to provide him a level playing field. He indicated that as a small neighborhood craft brewery and an owner of a BDL, he had the ability to stay open later, have a television, and provide live music which had all helped tremendously in being able to generate a profit. He reiterated that to truly compete he was forced to spend big money on a BDL which he did not think should be the case. He thought some of the laws in place boiled down to competition. He thought consumers should be left with the decision of where to frequent. The update to Title 4 was long overdue. He supported the bill.

10:15:11 AM

JOSH HEGNA, OWNER, GIRDWOOD BREWING COMPANY, GIRDWOOD (via teleconference), urged members to support SB 9. He thought

the bill would help his business and others in the hospitality industry. It would be good for a myriad of reasons across Alaskan communities. Businesses were desperately trying to rebound from the pandemic and SB 9 would open up some much needed opportunities for struggling Alaskan companies and their employees. He indicated that the extension of hours until 10:00 p.m. was critically important to his business. He opined that responsible adults should have the freedom to enjoy a beer in a tasting room after 8:00 p.m. especially in a healthy community like Girdwood. Tourists and locals liked to night ski and hike until after 8:00 p.m. Additionally, many people who lived in Girdwood commuted to Anchorage for work. After a long day of work and a family dinner, they could not make it out until after 8:00 p.m. He thought it was an unfair and unnecessary obstacle for a tasting room. After a decade, it was time to pass the update to Title 4 contained in SB 9.

10:16:45 AM

JEFF JESSEE, SELF, ANCHORAGE (via teleconference), indicated that 15 years prior when he was the CEO of the Alaska Mental Health Trust Authority and Bob Klein was the long-time chair of the Alcohol and Beverage Control (ABC) Board, they had a number of public disputes over the application and enforcement of the current alcohol beverage control statutes and the workarounds that the board was forced to make. Eventually he and others realized the only long term solution was a comprehensive rewrite of the state's Title 4 statutes. The only way to achieve such a change was for the parties to sit down, listen to each other, and forge a partnership to develop a compromise for the future. It was imperative to find common ground to advance public policy. He responded to Representative Wool's earlier question. It was always understood that once a comprehensive bill was passed, it would be up to the various interests to pursue any further amendments or changes as the industry and public health evolved. It was just part of the process. However, the first giant step of compromise needed to occur. He urged the committee to pass the bill. He invited them to bring more targeted bills forward to deal with changes in the future. He approved of the compromise reached in the bill.

Representative Wool asked what the Alaska Mental Health Trust Authority's position was on previous stand-alone bills having to do with brewers and distillery tasting

rooms. He had asked the question of an earlier testifier. He also wondered about the Trust's previous position on increasing outlet density.

Mr. Jesse could not recall a specific position on the bills the representative mentioned. He did not believe the Trust had taken a position.

10:20:17 AM

JACK LAU, OWNER, DOUBLE SHOVEL CIDER COMPANY, ANCHORAGE (via teleconference), supported SB 9 as written without amendment. The bill helped the entire industry, including new and existing businesses. It provided businesses the opportunity to recover and grow with immediate and sustainable impacts on revenue. The bill was the result of give and take and the balance of the bill was fragile. The changes were much better than what was in existing statute. The bill was a stakeholder compromise. He had been a part of helping to create the legislation. The bill removed overbearing restrictions and allowed access to BDLs. He elaborated that cideries, wineries, and distilleries could not currently purchase a BDL. He spoke of the unfair advantage for breweries in the craft area prior to SB 9. He noted that the bill removed the restriction of hours of operation for tasting rooms. Most of his clientele lead healthy lifestyles which meant they were hiking and biking later in the evening. The change in hours of operation would allow access to his tap room. He also spoke of the immediate benefit of allowing him to compete with out-of-state distributors which would lead to more investment in his company. He urged members to pass the bill as written.

10:22:19 AM

SASSAN MOSSANEN, OWNER AND OPERATOR, DENALI BREWING, TALKEETNA (via teleconference), called in support of the current version of SB 9. He had served as the vice president of the Brewers' Guild of Alaska and was on the CHARR governmental affairs committee during the foundational period of the Title 4 rewrite. He spoke of the numerous hours spent drafting the current drafting of the bill. The fragile balance of the bill included public safety, enforcement, and multiple other stakeholders. SB 9 created clarity for license holders and co-staff. The bill paid for itself. He could commiserate with people who had amendments they wanted to see in the bill. However, the

bill struck a delicate balance which he did not want to see disrupted. He stressed that the manufacturer was important to him that the bill did not prevent manufacturers from opening. There was nowhere in the bill prevents people from obtaining a manufacturing license. It created additional retail opportunities that never existed before and also presented opportunities for retailers to get into manufacturing. He encouraged legislators to pass the bill without amendments.

[10:24:36 AM](#)

ZACH ANDERSON, CO-OWNER AND GENERAL MANAGER, HARBOR MOUNTAIN BREWING, SITKA (via teleconference), spoke in support of SB 9 as written. He agreed with the previous testifier. He wanted to continue to open up later. He added that some of the changes to his local community in terms of staying open later had not advanced. Many of the tasting rooms provided an outlet for local artists and created a hub for his small community. Changing the current limits would allow for connection and community needed since the past couple of years of the pandemic. He hoped the legislature would pass the bill.

[10:26:14 AM](#)

AT EASE

[10:26:35 AM](#)

RECONVENED

TOM MANNING, SELF, JUNEAU (via teleconference), was an owner of a package store in Juneau and had different types of licenses since 1980. He called to support the bill about a week prior. However, he was concerned with a portion of the bill which he thought might need to be amended. He had participated in the internet sales stakeholder group. The issue was around internet sales from out-of-state vendors. He did not think the issue was dealt with in the bill. He provided some examples. He thanked the committee.

[10:29:26 AM](#)

DANA WALUKIEWICZ, CHAIRMAN, ALCOHOL BEVERAGE CONTROL BOARD, ANCHORAGE (via teleconference), reported that the board unanimously supported SB 9. He spoke of the benefits of the bill. The bill also provided funds to the Alcohol and Marijuana Control Office (AMCO) to modernize its licensing

application process which was currently time consuming, paper based and error prone. The funding would be used to create an online system that would increase staff productivity and reduce the time to approve and issue licenses and permits. The bill would also provide additional options for enforcement. The board had struggled with fair application of the law. He provided detail about the current enforcement options. The bill would provide a more applicable fine schedule for violations.

Representative LeBon asked why it was critical to the board that the population limit be increased from 3000 to 12,000 for breweries and tasting rooms.

Mr. Walukiewicz replied that the board had previously stayed out of the discussions concerning population limits. However, he noted that change in the law before the committee would provide opportunities for smaller communities that were currently limited out. He provided an example where two companies had applied for a brewery license in the City of Cordova. The population limit would only allow for one application to be approved. The board, after deeming both applications adequately sufficient, had to pull a name from a hat to make the decision about who would receive the license. The changes under the current bill would allow for additional opportunities. If another license type was available in the community, the brewery license applicant could pursue a straight manufacturing license and sell through another retail means such as a restaurant or BDL. The board had not taken a position on population caps but believed the bill would be beneficial and would provide clarity.

Representative LeBon asked Mr. Walukiewicz to comment on the number of public nuisance complaints the board received regarding breweries, wineries, and distilleries versus full bars with BDLs.

Mr. Walukiewicz did not have specific statistics on public nuisance complaints. In his 18 months of service on the Alcohol and Marijuana Control Board, he was not aware of any public nuisance complaints related to tap rooms. He was a co-owner of the King Street Brewing Company in Anchorage and held a brewery license and a winery license holder. The business had operated a tap room for 10 years without having any public nuisance complaints. His business is limited to the 36 ounces that they could serve on site

which was not changing in the bill. However, the bill would allow the brewery to stay open to 10:00 p.m. He did not believe the extended hours would lead to any complaints. Breweries were generally located in a commercial or industrial area and tended to be away from neighborhoods.

Representative Wool asked if Mr. Walukiewicz was calling on behalf of the ABC Board or his brewing business.

Mr. Walukiewicz responded that he was speaking on behalf of the ABC Board. The board fully supported the bill. He was responding to Representative LeBon's question. He did not have any formal board statistics to provide on public nuisance complaints.

[10:37:34 AM](#)

IAN LAING, SELF, ANCHORAGE (via teleconference), spoke in opposition to portions of the bill and advocated for an amendment. He spoke of the values associated with the freedom to enter the market and compete creating better lives. He believed the values should be protected. He argued that the new restrictive rules on tasting rooms went directly against such values. He suggested that the only reason government should interfere would be to protect public safety. He thought the provision should be removed from the bill. He specified that, in general, he supported the bill.

Representative Wool asked the testifier to specify which limits he wanted to see removed from the bill.

Mr. Laing responded that he was referring to the population limits on tasting rooms.

Representative LeBon asked if the testifier was calling on behalf of himself or an entity.

Mr. Laing indicated he was calling on behalf of himself.

[10:40:26 AM](#)

JEROME HERTEL, CEO, ALASKA STATE FAIR, PALMER (via teleconference), spoke in support of SB 9. A few years prior the Alaska State Fair's alcohol license was in jeopardy of not being renewed. It was determined that the fair did not meet the definition of a recreational site

license category - a license category the fair had been operating under for the past 39 years. The matter was temporarily resolved with the passage of SB 16 in 2019. That bill grandfathered the Alaska State Fair under the recreational site license until a new fair license category could be adopted in the Title 4 rewrite.

Mr. Hertel continued that the current version of SB 9 was a result of many hours of hard work and compromise among stakeholders and a solution to the state's problems. The bill cleaned up language and provided clarity. Senate Bill 9 allowed the fair to continue operating as it had in the past. It allowed the fair to host over 300,000 people each year and 70 events each year. I also allowed the fair to continue being an economic engine for the state with over \$26 million in economic impact. Without SB 9, the fair would be faced with the same things it had faced in the past. He requested that members of the committee support the current version of SB 9.

10:42:41 AM

GRAHAM DOWNEY, ALASKA PUBLIC INTEREST RESEARCH GROUP, ANCHORAGE (via teleconference), provide information regarding his research group which represented the consumer's interest. He recognized the hard work over several years in crafting SB 9 and broadly supported the bill. He opined that the bill provided clarity and simplification of the rules. He had heard from bars and breweries about the positive changes the bill would make for the regulatory environment. He also appreciated the advocacy of entities to make sure that vulnerable Alaskans were protected by the bill.

Mr. Downey continued that the group was concerned with the population limits. He was worried that the high limit of 1 per 12,000 citizens would have anti-competitive effects that would harm consumers by reducing choices and increasing prices. He argued that a less competitive market was not good for anyone. He encourage members to address the concerns he spoke of but would support the bill.

10:45:06 AM

MICHAEL JEFFERY, SELF, UTQIAGVIK (via teleconference), joined the many others who had honored the compromise that resulted in the current form of Ms. Brawley 9. He

particularly approved of the provisions around ordering liquor online. He appreciated all the hard work that went into crafting the legislation.

[10:46:50 AM](#)

TOM CHARD, CEO, ALASKA BEHAVIORAL HEALTH ASSOCIATION, FAIRBANKS (via teleconference), submitted written testimony and would keep his testimony short. The association supported SB 9 in its current form and appreciated the collaboration between parties to craft the bill.

[10:48:00 AM](#)

ERICK HEIMBIGNER, SELF, JUNEAU (via teleconference), called in opposition of the population limits on the tap room licenses. He thought it would prohibit the opportunity for competition. However, he did appreciate the revamping of Title 4. He reiterated that the tap room limit restricted opportunities to other businesses and advocated amending the bill. He thanked the committee for hearing his testimony.

[10:49:38 AM](#)

JOHN BLASCO, ALASKA BREWING COMPANY, JUNEAU (via teleconference), supported SB 9. He had been part of the stake holder group that helped to craft the legislation. He urged support for the bill.

[10:50:43 AM](#)

DAVID CALDWELL, BROKEN TOOTH BREWING, ANCHORAGE (via teleconference), spoke in support of the bill and hoped it could be passed as soon as possible. He thanked Senator Micciche for all of his hard work on crafting SB 9.

[10:51:29 AM](#)

Co-Chair Merrick CLOSED public testimony.

SENATOR PETER MICCICHE, SPONSOR, commented on a remark made by a wine maker. It was exemplary of changing one item without considering the whole picture and the delicate balance struck by the legislation. He further elaborated that he had worked for many years with all of the stakeholders. Some of the items in the bill offset the

balance because there had not been the opportunity to balance the cause and effect of the changes. He thought it was important to consider all of the benefits of the bill before condemning certain portions of it. He noted the number of new customers going to tasting rooms. There were things that were extremely valuable to tasting rooms, breweries, wineries, and distilleries while still recognizing the value of the traditional licensee. If a business wanted to be similar to a bar, they would be subject to population limits. Many of the folks being called to testify were not aware of the entire picture of how the bill worked.

Senator Micciche also wanted to discuss a couple of things including legislative intent language. He had spoken with Director Klinkhart about items of concern. The first concern had to do with the recreational site license that would be converted to a new sporting activity or event license. A previous bill was passed to save the Alaska State Fair and several other business types. There were about 4 remaining. The language in Section 168 on page 122 of the bill intended to grandfather the remaining recreation site licenses into a sporting activity or event activity license. He explained that he was protecting previous license holders. There were only a few left. He believed those existing businesses should be protected with another license type. Director Klinkhart thought it was important for the senator to clarify the issue on the record. He wanted the remaining 4 entities would grandfathered into another license type.

Senator Micciche also wanted to address direct wine shipments. There was a small group of Alaskans purchasing wines from wine collections outside of Alaska. It had never been regulated before and would not be regulated in SB 9. He clarified that private collections came from estate sales and would continue to be unregulated. If an Alaskan legally purchased from an auction house, they could continue to purchase and ship legally as long as the sale was licensed in Alaska or another state. It was not a large market and was an unregulated transfer of a private collection to an individual in Alaska. He thanked members for their time and was available for questions.

[10:57:53 AM](#)

Representative LeBon asked if the senator thought there should be an element of local control over the issuance of a brewery and tasting room license if a community wanted to exceed the population limit proposed in the bill.

Senator Micciche responded that there was an element of control in the bill. If a brewery tasting room chose to go into the REPL business and the municipality was already capped, the bill would allow a municipality to petition the ABC Board for additional REPLs.

Representative LeBon asked what avenue a business would have if it did not want to upgrade its license to include food service, wanted to remain a brewery with a tasting room, and the population restriction was capped. He wondered if there would be an appeal process within their community or the ABC Board.

Senator Micciche indicated there was not an appeal process but there were many other options. They would have 2 years to consider the option. If the bill were to pass, some current tasting rooms would go into the brewery, distillery, and winery business because population limits would no longer apply. As a result, tasting room licenses would be freed up. Some would move into the REPL or BDL models which would also free up tasting room licenses. For the communities that were currently limited, such as Cordova, they would have other options that would become available with the passage of SB 9.

11:01:16 AM

Representative LeBon provided a hypothetical scenario because of the Fairbanks area having both a borough and a city. A business would likely want to establish a business within the city rather than the borough due to the flow of traffic, but the city was limited out by population. He wondered if there should be an avenue to appeal to the local government for a waiver.

Senator Micciche appreciated the question. There could always be an appeal to the legislature. He would continue to speak to the compromise and the tens of thousands of hours it took to reach a compromise. It did not mean the number was the perfect number. It might happen that the legislature would make specific changes, but not in an omnibus bill. He asked for the legislature to see how the

bill played out. There were very few issues with stakeholders that could not be addressed with the bill.

[11:05:25 AM](#)

Vice-Chair Ortiz noted that through the public input process the one item of contention was the population limit. He wondered about how it was balanced.

Senator Micciche explained that without the limit, the tasting rooms would not be contributing to the overall benefits of the bill. He thought it was a fairness issue. Human beings were admittedly self-serving. He had tried to have give-and-take in the bill. All of the contributors were Alaskans and were all intimately involved. He saw Alaskans at the table who cared about a better outcome. He reiterated the balance reflected in the bill.

[11:09:54 AM](#)

Vice-Chair Ortiz thanked the senator for his answer. He suggested that the other opportunities included significantly higher levels of investment. He did not believe the other opportunities would actually be opportunities for new entrepreneurs. He thought starting up a new business was already a large lift. He appreciated that there would be other opportunities but they would require significantly more investment of entrepreneurs. He asked if he was correct.

Senator Micciche responded that he disagreed with Vice-Chair Ortiz. He provided a hypothetical scenario. He mentioned the progression of a business growing into another form of business. Some businesses would choose to stay little while others would choose to expand.

[11:13:09 AM](#)

Representative Wool suggested that a population cap was the topic of the day. He spoke of a previous cap of 1 per 9000. He asked if the change was to 1 per 12,000 in exchange for the expanded hours and live music. He wondered if the change was an exchange in order for the BDL owners to agree to the other two changes. In other words, if the BDLs agreed to the expanded hours and additional live music events for breweries, the cap would be raised resulting in fewer new breweries with tasting rooms in communities.

Senator Micciche responded that under no condition would there be fewer breweries because the existing ones were grandfathered. There was still room for growth in most communities. There were other business models that brewers would be able to move into. He replied that the cap was 1 in 9,000 before all of the opportunities were agreed upon in the balance of SB 9 along with things breweries could not do before. He did not want to see a clamp placed on expansion of breweries and a more successful business model. Amendments would play into squashing additional opportunities in the brewery, distillery, and winery businesses. He had posed the question as to what would make a business want to expand.

11:16:40 AM

Representative Wool noted a caller who mentioned he had a brew pub license but could not distribute. There was a brew pub distribution cap of 1200 barrels. The caller wanted the cap expanded. The caller state he had to get a BDL to distribute. He did not know BDLs could distribute under current law. He asked for clarification.

Senator Micciche thought the caller might have cited the wrong license type. The bill allowed a business to have an offsite brewery so that it could sell without a cap. Currently breweries, distilleries, and wineries were capped. Some people were in the tasting room business because they could not distribute enough to make money. They offset the cost with some additional revenues from their tasting room. Some of the existing tasting rooms would move into being a brewery that just distributed without having a tasting room.

Co-Chair Merrick informed the committee she planned to adjourn at 11:30 p.m.

Representative Wool wanted to comment that the caller from Fairbanks who just opened a brewery knew what he was getting into regarding restrictions under existing law. The caller also reported that his business model was to have 90 percent of revenues from on premise sales (beer by the glass) and 10 percent from wholesale. He understood the caller wanting to expand his hours helping out his business. However, he did not see the caller getting rid of his tasting room. He thought it was a tough market and

could see where a tasting room would be solvent. He applauded the changes that would allow them to convert to a REPL. He suggested breweries could easily expand to an REPL. He applauded the REPL and BDL additions to manufacturing licenses. He understood the deal that was struck. He argued that once something was expanded it would be difficult to change. He was afraid to expand too much at once. He was cautious of the bill. He pointed out that in the last 3 legislatures in the previous 6 years the Title 4 rewrite bill had adopted 36 amendments.

[11:21:57 AM](#)

Representative Josephson referred to Section 167, Section 168, and Section 169 regarding the transition. He talked about a 2-year window of being grandfathered. He asked for further explanation.

Senator Micciche appreciated the question. He indicated there were 31 tasting rooms in the state since 2007. However, people in Cordova would have to wait, as the community was capped out. Homer was also capped out. He thought there would be the normal flow of new breweries, distilleries, and wineries. He noted there had been several changes to the legislation. He believed the industry and public safety had suffered immensely because of the delays with passing the bill. He commented that through the years of the bill not passing he had moved the industry, public safety, and public health backwards.

Co-Chair Merrick thanked Senator Micciche for being in the meeting. She announced that amendments were due by 6:00 p.m. on Saturday, April 2, 2022. She reviewed the agenda for the following meeting.

#

ADJOURNMENT

[11:25:54 AM](#)

The meeting was adjourned at 11:25 a.m.